



CALPEEK

CALIFORNIA POLITICAL WEEK

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CAMPAIGN 2004: SAN DIEGO MAYOR MURPHY HAS A CHANGE OF HEART AND WON'T SEEK REELECTION.

Editor's note: On March 14th popular, first term San Diego Mayor Dick Murphy held a news conference with his family where he announced for a 2nd term. Exactly two weeks later, March 28th, Murphy decided to pull the plug on his reelection plans. Murphy's withdrawal from the race means there will be a wide open contest to replace him next year. Here's our update & analysis...

...There's no doubt that Murphy has been one of the most popular mayors in Calif.'s 2nd largest city. He's got lots of allies on the San Diego Council and thus he won't be a lame duck, with little power & influence. And when he leaves office his motto may be, "*Good government is not about flash. It's about substance.*" Not lots of charisma, but he was an absolute slam dunk for a second term and as of March 27th Murphy had no serious rivals...

...So why did he pull the plug? An unfinished agenda. Murphy had this 10-point plan of action when he came into office and it was only partially complete. Among the items remaining on Murphy's plate: a \$7 million city budget deficit; San Diego's homeland security plans; and the NFL's San Diego *Chargers*. Was he tired? Yes, but no more so than other big city mayors in Calif. Is he thinking about running for something else? Perhaps down the road, but the rumor he was looking at the U.S. Senate race was just that - a rumor...

...*Calpeek* sources say Murphy wrestled with this decision the week of March 23rd and might have waited just a little longer had it not been for a pending story in the *San Diego Union Tribune*. Sources say the U-T story basically forced Murphy's hand. And sources believe Murphy was still discussing the pros & cons of a possible withdrawal one hour before his March 28th news conference. Interesting...

...So with Murphy OUT, who is IN? There is a very long list starting with San Diego Co. Sup. Ron Roberts. Roberts was actually the favorite to win the '00 runoff with Murphy. Others on the list may include Port Commissioners Peter Q. Davis and Steve Cushman; State Sen. Dede Alpert(D); U.S.

Rep. Bob Filner(D); attorney Pat Shea; former Councilman George Stevens; former PD Chief Jerry Sanders; and current Councilmembers Brian Maienschein, Donna Fry, Scott Peters and Ralph Inzunza. Of this group, Maienschein and Inzunza are close Murphy allies...

...Murphy was on the city council from 1981-85 and then was a superior court judge until his election as mayor in 2000. Stay tuned...

CAMPAIGN 2004: PRESIDENTIAL POLITICS AND WAR WITH IRAQ. WHICH DEMOS ARE SCORING POINTS??

Editor's note: As the U.S. heads into its 3rd week of war in the Persian Gulf area, most Demo presidential candidates have been keeping a low profile - but not all. The serious anti-war Demos are trying to use the conflict with Iraq to build up points with the liberal wing of the Democratic Party. Here's our analysis & commentary...

...A quick look at the current polling first: *CNN/USA Today* (Mar. 14-15, 420 registered Demos nationwide). As *Calpeek* sees it, there are now two tiers:

U.S. Rep. Dick Gephardt	20%
U.S. Sen. John Kerry	16%
U.S. Sen. Joe Lieberman	15%
Former U.S. Sen. Moseley-Braun	8%
U.S. Sen. John Edwards	6%
Former Vt. Gov. Howard Dean	5%
The Rev. Al Sharpton	5%
U.S. Sen. Bob Graham	4%
U.S. Rep. Dennis Kucinich	3%
Others/no opinion	18%

...The latest Zogby America Poll (Mar. 5-7 of 515 likely Demos, nationwide) shows Lieberman with 18%, followed by Gephardt at 11% and Kerry at 9%. In most of the national polls, it's usually Lieberman or Gephardt in front. No shock there as both have good name ID. In state-by-state polls results differ. In Iowa, Gephardt is leading, but in New Hampshire, it's Kerry, Dean and Lieberman - pretty much in that order...

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...Dean is trying to position himself as the leading *anti-war Demo*, but is battling for that honor with Congressman Kucinich, the former mayor of Cleveland. Dean's strategy is somewhat risky – he's always billed himself as a New Democrat (DLCer), but this anti-war stand could end up hurting him with the moderate Clinton/Gore wing of the party. As for Kucinich, he makes no apology for his liberal views – he's anti war, anti death penalty, pro universal health, pro total nuclear disarmament and anti NAFTA and anti World Trade Organization(WTO). Is Kucinich trying to take over where the late Paul Wellstone(D) left off???

Bottomline: while both Dean and Kucinich may be scoring points now, sources say these anti war candidates may pay a political price once the war is over...

...The big question for all Demos is how this war will impact Pres. George W. Bush? A long war drawn out over many months would be a disaster for Bush because of the impact on the U.S. and worldwide **economy**. A short war would be a tremendous boost. In a match with an unnamed Demo, it's Bush 45% vs. 42% for the Demo. Why the close race? *It's the economy, stupid* – and not Bush's handling of the war with Iraq. Sound familiar???

...FYI: Although he only shows up in a few surveys with a point or less, one of the more interesting undeclared Demo candidates is former NATO Supreme Commander Wesley Clark of Arkansas, a former Rhodes scholar. This former 4-star general has gotten lots of air and face time as a war analyst for CNN, teamed most often with CNN anchor Aaron Brown. They work exceptionally well together. It's unknown if he's really serious about running. Stay tuned...

BUSH AT WAR: THE NEWS MEDIA GOES TO WAR.

Editor's note: Persian Gulf War II is not just the U.S. and U.K. vs. Iraq, it's also a cable tv ratings war between CNN vs. FOX vs. MSNBC. And then there's the print media battles between the *New York Times*, *Washington Post* and *L.A. Times* – battling one another for scoops. The main *casualties of war* thus far: 1) the Pentagon's war plan for Iraq; and 2) CBS and ABC, who unlike NBC, don't have a 24-hour cable operation. Here's our analysis & commentary...

...As the U.S. is about ready to begin week **three** in this war with Iraq, the U.S., the U.K. and Australia were just getting ready for the main drive into Baghdad. Some people (me included) just can't stop watching this *virtual war* on cable tv. And while some grumpy journalism types bash the "embedded" concept of news crews traveling and reporting the activities of specific units, it's worked out very well and has provided exceptional coverage...

...Overall, U.S. public support for the war remains very high. A recent *Washington Post/ABC* survey (3/27) showed support at 73%. But a *WSJ/NBC* survey shows that 50% of those questioned think this war will last 3 months or longer. And 42% in this same survey say the U.S. military hasn't used enough force. That brings us to the overall subject of the Pentagon's **WAR PLAN**. One of the biggest problems facing the White House and DOD is the *24-hour news cycle*. It puts incredible pressure on news organizations to out scoop their rivals...

...In politics, and especially campaigns, it's sometimes a good idea to *lower expectations*. That's not what happened prior to actual hostilities. The Bush White House and DOD raised expectations of a fast and hard hitting war (*Shock & Awe*) which might end in days, not weeks or months. That spin was wishful thinking and it opened the door for veteran investigative journalists like Seymour Hersch (*New Yorker*) who said his DOD sources claimed Defense Sec. Donald Rumsfeld was micro-managing the PLAN and had insisted that fewer ground troops be used. To say Rumsfeld was POed is an understatement. He may be tough, but he's also got thin skin...

...The Hersch story opened the door for the retired military types to unload further on cable tv. For 48 hours that was the main story line, as the retired AF and U.S. Army generals provided tons of spin & analysis. Best example: Gen. Barry McCaffrey of MSNBC, who doesn't think much of Rumsfeld's new *lean & mean* approach (heavy Air Force, Marines, special forces, with fewer armored forces). And in fact more U.S. troops are on the way. The DOD says it was part of the original plan, but many of the tv 4-star retirees don't entirely buy that...

...By far the best fighting on cable tv thus far occurred when Nat'l Geographic's Peter Arnett (helping NBC) opened his mouth and inserted both feet during an interview on Iraqi tv. He got fired. Fox News and CNN took delight in Arnett's misstep. But then Fox's Geraldo Rivera got the boot from Iraq by the DOD for disclosing his and his unit's location while drawing a map in the sand. CNN and MSNBC milke that goof to no end. Oh the *fog of war*...

...FYI: As *Calpeek* noted two weeks ago, the next potential target for the U.S. is Syria. The Assad Jr. govt. in Damascus has now openly sided with Saddam Hussein and Iraq. If the U.S. and coalition forces finish off Iraq by mid to late April, with less than 100 U.S. KIAs, some think the *neo cons* will urge Pres. George W. Bush to take a hard look at bringing down the Assad/Syrian government. Will this actually happen? Perhaps. Stay tuned...

ENERGY & POLITICS: CALIF. IS IN THE SPOTLIGHT AS FERC AND INTERIOR DEPT. ISSUE KEY RULINGS.
Editor's note: Last week Calif. got part of what it had been asking for when FERC (Federal Energy Regulatory Comm) ruled that indeed energy supplier had manipulated Calif.'s energy market in 2000-01. This week, on Mar. 31st, the U.S. Dept. of Interior said it would not contest the State's role in controlling expanded offshore oil drilling. This was a reversal from previous Bush Admin. policy and another big win (for now) for Calif. Here's our update & analysis...

...The U.S. Interior Dept.'s decision was a big win for Calif. in that the State will not have to go to court again in a battle with the U.S. Govt. over its jurisdiction through the CA Coastal Commission. The big question is whether this is really the end of the war or just a battle delayed?? There's still the overall Bush Energy Policy – and whether they'll push for new drilling in Federal offshore waters and whether the Admin. will try to weaken the Coastal Zone Management Act. For now, it's wait and see. One other question: while the Feds agreed to buy back oil leases off the Florida coast (cost about \$115 million), will the Feds be willing to put up a bigger hunk to buy back the federal leases in Calif. coastal waters: estimated cost \$1.2 billion? Sources believe the oil companies will have to settle for far less than \$1.2 billion and there could be a split, with Calif. picking up part of the buy-back costs. Regardless, will Calif. catch a break from the Bush Admin.??? If the Bush White House were to help Calif., it might go a long way to help GWB in 2004...

...This ruling, like the FERC ruling the week before, did make the front page of many Calif. dailies, but would have gotten even bigger play had it not been for the U.S. war with Iraq. That's not especially good news for Gov. Gray Davis(D), who could use more good headlines...

...Of the two rulings, the FERC decision is the more important, especially to Davis. Why? Because Davis has been criticized over and over again for his handling of the 2000-01 energy crisis which really crippled the State. The problem for Davis, AG Bill Lockyer, the CA PUC and the IOU (Investor Owned Utilities – SCE, PG&E and SDG&E) is that the FERC ruling gives Calif. only \$3.3 billion back instead of the requested \$9 billion. And the FERC decision was silent on Calif.'s request that the energy firms be forced to renegotiate long term contacts with the State. To help stabilize Calif.'s energy market, in 2001 Davis signed long term energy contracts just when the State was at its weakest position – at the height of the crisis. Cost for the long term contracts: \$43 billion. Of

this amount, some \$23 billion has been renegotiated, at a reduction of about 25%. But that still leaves \$20 billion outstanding...

...FYI: While Calif. is entitled to a \$3.3 billion refund for overcharges, the CA Power Exchange still owes some \$3 billion to the power companies. That money already has been collected from rate payers and will go to the power companies once everything is settled. As for the \$3.3 billion refund due Calif., that money will eventually go to pay off part of the \$12 billion in energy bonds floated to repay the State's general fund – which bought power when SCE and PG&E ran out of cash. That's why Calif. is pushing for a larger settlement. The more money it gets, the quicker the energy bonds are paid off, thus lower rates for consumers. The question is whether all or some of these power suppliers have the cash to pay off a larger settlement? Stay tuned...

CAMPAIGN 2004: UPDATE ON LEGISLATIVE RACES.
Editor's note: Here is *Part VIII* in our continuing series of updates about CA Legislative & U.S. House primaries...

☒ **60th AD** – This open seat is currently represented by *termed out* Assemblyman Bob Pacheco(R-Walnut). This AD is solid *GOP turf* and thus has begun to attract a large field of candidates – including Pacheco's wife, Gayle, who is a Mt. San Antonio College Board member. Also in the running is Diamond Bar Mayor Pro Tem Bob Huff. Those are the two L.A./San Berdu candidates. In the Orange Co. portion of this AD are O.C. Water District Bd. member Denis Bilodeau and Rancho Santiago Community College Board member Lisa Woolery. About 41% of this AD is in O.C., thus there's this turf battle going on between O.C. State Sen. Dick Ackerman(R) and Pacheco. Ackerman is trying to find a consensus O.C. candidate – so that the vote won't be split. Interesting...

☒ **68th AD** – This is the open seat currently represented by Assemblyman Ken Maddox(R-Costa Mesa). Like the 60th AD, the 68th is solid *GOP turf*. Thus far there are two Garden Grove city councilmen vying for Maddox's job: attorney Van Tran and Mark Leyes. Tran is only the second Vietnamese American in O.C. to win elective office. He used to work for former Congressman Bob Dornan and Ed Royce, before opening his own law practice. Tran has hired JohnsonClark & Associates, while Leyes has hired Gilliard Blanning & Wysocki. Should be an interesting and spirited primary. FYI: Maddox has endorsed Tran. Others who have endorsed Tran include U.S. Reps. Royce and Dana Rohrabacher...

CALPEEK'S INFOBAHN: POLITICAL SHORT TAKES.

Editor's note: Here are a few items, political & otherwise, worth noting...

■ **Homeland Security Price Tag** – According to a report by the U.S. Conf. of Mayors the combined weekly price tag for beefed up homeland security costs in 145 cities (since the war started on 3/17) is about **\$70 million!** In a 3/29/03 *S.F. Chron* story, the weekly cost to S.F. is about \$2.6 million, with L.A. spending \$2.5 million. New York is spending about \$5-6 million per week...

■ **U.S. House Entertainment Caucus Formed** – 28 members of the U.S. House have formed the Congressional Entertainment Caucus in the 108th session. Chairperson of the Caucus is U.S. Rep. Diane Watson(D-33), whose CD includes Sony Studios, Raleigh Film & Television Studios, Capitol Records and a part of Paramount Studios. The entertainment industry is U.S.'s #1 export industry, with \$500 billion in annual revenue. Other CA House members who have joined the Caucus include Becerra(D-31), Berman(D-28), Lofgren(D-16), Lee(D-9), Millender-McDonald (D-37), Sanchez(D-47) and Schiff(D-29)...

■ **Simon's Group Wins S&L Case** – A federal judge has awarded \$305 million to Westfed Holdings, Inc. – a company which owned the Marina del Rey S&L Western Federal. Bill Simon Jr. and a group of his investors were key owners of the S&L. The seizure of Simon's S&L by the Feds was a key campaign issue in 2002. Judge Emily Hewitt said while the federal govt. was wrong to seize the S&L, Western Federal had other problems – bad loans, uneven internal controls. No word if the Feds will appeal...

■ **Local Election Results** – In Glendale, incumbent Councilmembers Rafi Manoukian and Gus Gomez were reelected by rather large margins Apr. 1st. There was speculation that Carole Sussman, a one-time Gomez ally, might pull enough votes to oust Gomez, but her candidacy fizzled. Manoukian got 9,024 votes, Gomez 7,404 and Sussman 4,442. There were four other candidates in the race. Eric Hacopian ran Manoukian's campaign, while SG&A Campaigns ran Gomez's campaign...

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CALPEEK'S CALENDAR OF POLITICAL EVENTS

Apr. 12	28 th annual Coro Foundation of So. Calif. gala dinner honoring U.S. Sen. Feinstein, Century Plaza Hotel, L.A.
May 1	SCAG 2003 General Assembly, L.A.
May 14-16	Regional Council of Rural Counties annual meeting, Napa Valley Marriott.
May 20	L.A. muni runoff election.
June 1-2	CA Mobilehome Parkowners Alliance symposium, Las Vegas, NV.
June 5-10	71 st annual U.S. Conf. of Mayors, Denver, CO
July 23-26	Nat'l Conf. of State Legislatures annual meeting, S.F.
Nov. 4	S.F. Muni Election + other cities

CALPEEK'S NEW JOBS AND PERSONNEL NOTICES.

Editor's note: Here are some items to mark down in your notebook...

● A sad note: Former CA Supreme Court Associate Justice Marcus M. Kaufman, 73, died Mar. 26th at his home in Newport Beach. He served on the high court from 1987 to 1990. R.I.P...

● Another sad note: Hugh B. Dynes, 90, a chief deputy to 3 L.A. Co. Supes (Leggs, Bonelli & Schabarum), died Mar. 22nd. R.I.P...

● Another sad note: well known Orange Co. lobbyist and political insider Randy Smith, 55, died Mar. 28th of cardiac arrest. R.I.P...

● Lassen Co. Sup. Brian Dahle is the new chair of the Regional Council of Rural Counties(RCRC). Madera Co. Sup. Vern Moss is RCRC's 1st vice chair and Tehama Co. Sup. Charlie Willard is the council's 2nd vice chair...

● Ms. Shoreen Maghame has been hired by Fleishman Hillard's L.A. office as a vp. She's a media relations and crisis communications specialist...

● The Ventura and L.A. offices of Weston, Benshoff, Rochefort et al has promoted attys. Thomas S. Cohen and Kathleen Kenealy to Of Counsel...

● Gov. Davis has named Liane Randolph, 37, as chair of the Fair Political Practices Commission(FPPC). She's been San Leandro city attorney since 2001 and previously worked as staff counsel to the FPPC...

● Demo fundraiser Toni Roberts has moved her Roberts & Associates offices to 2005 "N" Street, Sacto 95814. (916)443-8421...